GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3227
ANSWERED ON:12.03.2003
INDO-YUGOSLAV TIES
IQBAL AHMED SARADGI

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether in a major initiative to give a fillip to their relations, India and Yugoslavia have signed two agreements for promotion and protection of bilateral investment;

(b) if so, the details of the agreements signed;

(c) whether these agreements will help in improving the relations between the two countries; and

(d) if so, the various fields in which the two countries have agreed for mutual cooperation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH)

(a) India and the Federal Republic of Yugoslavia (renamed Serbia and Montenegro in February 2003) signed an Agreement on Promotion and Protection of Mutual Investments on 31 January 2003.

(b) The Agreement provides for encouraging and creating favourable conditions by each of the countries for the investors of the other country for making investments in its territory, including fair and equitable treatment to investments and return on investments, full legal protection and security. The investments from one country into the other shall be accorded most-favoured-nation status and cannot be expropriated or nationalized. The investments and return on investments will be freely transferable without unreasonable delay and on a non-discriminatory basis. The Agreement also provides for a detailed mechanism for settling any disputes between investor and the country in which the investment is made. The Agreement will enter into force upon exchange of instruments of ratification and shall remain in force for a period of ten years. It shall be deemed to have been automatically extended unless one Party gives another a written notice to terminate it.

(c) Yes.

(d) During the Foreign Office Consultations held in Belgrade in January 2003, the two countries agreed to further develop their bilateral cooperation in all spheres, including political exchanges, trade and commerce, defence, culture and education.